

Message Text

LIMITED OFFICIAL USE

PAGE 01 ALGIER 01844 200746Z

17

ACTION NEA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15

STR-04 TRSE-00 FEA-01 XMB-02 /092 W

----- 127450

R 191315Z AUG 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2923

INFO USDOC/WASHDC

LIMITED OFFICIAL USE ALGIERS 1844

PASS EXIMBANK FOR MORAN

USDOC FOR JENSEN

E.O. 11652: N/A

TAGS: ENRG, AG

SUBJECT: ALGERIAN OIL BARTER DEALS

1. REPRESENTATIVES OF PHILADELPHIA NATIONAL BANK AND
CIAVE AMERICAN CORPORATION (SUBSIDIARY OF FRENCH INDUSTRIAL
BANK) CURRENTLY IN ALGIERS NEGOTIATING LARGE SCALE OIL
BARTER DEAL ON BEHALF OF ALLIANCE TOOL AND DYE OF ROCHESTER,
NY. PROSPECTIVE \$100 MILLION PROJECT FOR SALE OF ALLIANCE
FLATWARE PLANT TO SONACOME ORIGINALLY PROPOSED FOR
US EXIMBANK FINANCING. WHEN FINANCING REJECTED BY
EXIMBANK, SEVERAL OTHER OPTIONS CONSIDERED BY ALGERIANS.
ACCORDING WILLIAM BEAUMONT OF AAVE, ALGERIANS THEMSELVES
SUGGESTED BARTER DEAL. BEAUMONT UNCERTAIN AS TO WHETHER
ALGERIANS HAD IN MIND BARTER DEAL FOR \$50 MILLION OF US
EQUIPMENT COSTS OR ENTIRE \$100 MILLION INCLUDING TRAINING
EXTENSION SITE, PREPARATION, ETC. BUYER(S) HAVE
APPARENTLY BEEN ARRANGED FOR OIL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ALGIER 01844 200746Z

2. BANKERS PRESSING SONACOME, ALGERIAN BUYER, TO PURCHASE OIL FROM SONATRACH AND SHIP OVER 3-MONTH PERIOD. FACT THAT EQUIPMENT FROM ALLIANCE WOULD BE SHIPPED OVER 3-YEAR PERIOD WOULD GIVE BANKS, IN WORDS OF PHILADELPHIA BANK REP. QTE SOURCE OF CHEAP CDS FOR 3 YEARS. UNQTE. NEGOTIATIONS EXPECTED CONTINUE THROUGH AUG. 21 AND RESUME AGAIN IN EARLY SEPT. EMBASSY HAS NO DEFINITE INFORMATION ON PRICE OF OIL TO BE BARTERED.

3. EMBASSY HAS RECENTLY HEARD OF TWO OTHER MAJOR BARTER DEALS COMPLETED IN PAST FEW MONTHS. ACCORDING WELL INFORMED LOCAL OIL INDUSTRY SOURCE, US STEEL INTERNATIONAL SOLD SUBSTANTIAL QUANTITY STEEL PIPE TO ALGERIANS IN EXCHANGE FOR OIL SOMETIME IN PAST SEVERAL MONTHS. SOURCE IN JAPANESE EMBASSY ALSO REPORTS THAT C. ITOH CO. ARRANGED CONSTRUCTIONS CONTRACT FOR MAINTENANCE DEPT FOR SONATRACH IN EXCHANGE FOR 400,000 TONS OF OIL. JAPANESE EXPECT MORE SUCH DEALS.PARKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, PETROLEUM, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ALGIER01844
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750287-0720
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750837/aaaabgka.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUL 2003 by KelleyW0>; APPROVED <26 NOV 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ALGERIAN OIL BARTER DEALS
TAGS: ENRG, AG, ALLIANCE TOOL & DYE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006